

LEASE NO. GS-09B-02853

On-Airport Lease
GSA FORM L201D (04/11)

This Lease is made and entered into between

Lessor's Name City of Flagstaff

("the Lessor"), whose principal place of business is 211 W. Aspen Ave, Flagstaff, AZ 86001, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

("the Government"), acting by and through the designated representative of the General Services Administration ("GSA"), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

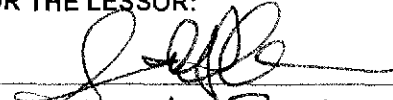
The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at Flagstaff Pulliam Airport 6200 S. Pulliam Dr, Ste 204, Flagstaff, AZ 86001

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein.

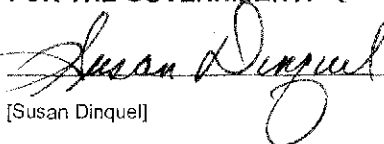
To Have and To Hold the said Premises with their appurtenances for a term of 10 years, 5 years firm commencing on April 1, 2012 and continuing through March 31, 2022 inclusive subject to termination rights hereinafter set forth, to be used for such purposes as determined by GSA. The term of April 1, 2012 through March 31, 2017 shall be considered the firm term.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:


Name: Sarah Presler
Title: Mayor
Date: 11-28-11

FOR THE GOVERNMENT:


[Susan Dinquel]
Lease Contracting Officer
Date: 12/16/11

WITNESSED BY:



Name: Margie Brown
Title: City Clerk
Date: 11-28-11

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES

The Premises are described as follows:

Office and Related Space: 1,000 rentable square feet (RSF), yielding 1,000 ANSI/BOMA Office Area (ABOA) square feet of office and related space (based upon a Common Area Factor of 1.0 percent, located on the ground floor floor(s) and known as Suite(s) 204, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

1.02 EXPRESS APPURTENANT RIGHTS

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. Parking: 2 parking spaces of which 0 shall be structured inside spaces reserved for the exclusive use of the Government, 0 shall be inside parking spaces, and 2 shall be surface parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

1.03 RENT AND OTHER CONSIDERATION

A. The Government shall pay the Lessor annual rent payable monthly in arrears at the following rates:

	Years 1 - 5		Years 6 - 10	
	Annual Rent	Annual Rate / RSF	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$30,500.	\$30.50	\$30,500	\$30.50
Operating Costs	\$6,500	\$6.50	\$6,500	\$6.50
Full Service Rate	\$37,000.00	\$37.00	\$37,000	\$37.00

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 1,000 ABOA sq. ft. based upon the methodology outlined under the "Payment" clause of GSA Form 3517G.

C. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

D. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

E. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in "Paragraph 1.01 THE PREMISES" created herein;
2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
3. Performance or satisfaction of all other obligations set forth in this Lease; and
4. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

1.04 TERMINATION RIGHTS

The Government reserves the right to terminate this Lease, in whole or in part, at anytime during the term of this lease with 90 days' written notice to the Lessor if (i) regularly scheduled commercial air services cease, (ii) the airport opts to replace screeners with private contractors, (iii) the checkpoint supported by the leased space is closed, or (iv) Government reduces its presence at airport due to a reduction in deplanements. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.05 DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Floor Plan(s)	1	A
GSA Form 3517G, General Clauses	16	
GSA Form 3518G, Representations and Certifications	3	

1.06 OPERATING COST BASE

The parties agree that for the purposes of applying the clause titled "Operating Cost Adjustment" that the Lessor's base rate for operating costs shall be \$6.50 per rentable sq. ft.

1.07 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES

In accordance with the section entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$3.00 per ABOA sq. ft. of space vacated by the Government.